



## ASX/MEDIA ANNOUNCEMENT

9 October 2017

### Domino's unveils new technology

Domino's Pizza Enterprises Limited (**ASX: DMP**) today announced a suite of technology and operations improvements, including a new 360-degree review system to lift Franchisee performance (**[Operations 360](#)**), phase two of **[DRU Drone](#)** deliveries, rostering solution (**[Tanda](#)**), **[Domino's Anywhere](#)** technology to allow customers to order Domino's from anywhere and **[Hot Lockers](#)** to eliminate wait times for on-the-go pick-up customers.

Speaking at an investor briefing today, Group CEO and Managing Director Don Meij said the enhancements across the business would use new and existing technologies to enhance customer service, improve productivity and enhance Franchisee standards.

"At Domino's we use technology to solve problems, and to make things easier for our customers, our Franchisees and for our business – the new technologies, and improvements, we announced today deliver on this approach," Mr Meij said.

From using technology to improve the quality of pizzas, and to help managers build more effective rosters for stores, through to using data to give Franchisees more insight into their business, Mr Meij said the enhancements would be backed by new performance measurements.

"Technology and data is of value only if you use it to improve, and that is something we have done from our first use of online ordering, through to using GPS Driver Tracker to reduce our delivery times – this is no different.

"Additionally, we will now be able to use more data to provide new objective benchmarks for how our Franchisees are performing, and use those benchmarks to provide additional training, business-specific recommendations and one-on-one coaching."

#### **Operations 360**

Operations 360 is a new set of business intelligence and benchmarks to enhance Domino's store operations, transparency and profitability for Franchisees.

Mr Meij said Operations 360 will give Domino's Franchisees more detailed information about their business operations, and clearer benchmarks to measure their performance against their peers.

"The new program aims to identify areas for Franchisees to improve, which will benefit individual Franchisees, customers, and the franchise network as a whole," Mr Meij said.

"We have hundreds of hard-working Franchisees, whose commitment, training and insights into their small businesses are essential to our shared success – and we are eager for them to make the most of working within Domino's.

"We looked at ourselves and asked, 'How can we improve?' and we recognised that we can, and should, provide better training and tools to equip all of our Franchisees for success – Operations 360 answers this challenge."

The new system includes a series of transparent measures, readily understood by all Franchisees, that provide a 360-degree overview of their performance, from customer feedback scores and food safety, to sales growth, through to maximising their local delivery areas.

"This new operational focus will become a way of life for Domino's and we will work with all of our Franchisees to identify exactly where they are at and how we can help them improve."



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### **Industrial Relations update**

We continue to strive to identify, and correct, wages underpayments. Our nationwide audit programme of Franchisees, announced earlier this year, is progressing well.

Since announcing this programme, Domino's has finalised the process for 322 stores, of which one store has been referred for further audit after indicating as having wage underpayments.

Since the Company's HY update in February 2017, a total of \$1.25m has been recovered under audit processes which were already in progress.

"We are continuing to work with advisory firm Deloitte to develop and implement sophisticated systems and methodologies to assist in identifying wage underpayments, on an ongoing basis," Mr Meij said.

Domino's is aiming to finalise the programme by the end of December, at which point the Company will assess approximately 120 stores – ones that have either recently opened or ones that had been audited or assessed, when the nationwide audit programme first commenced.

### **Next-generation DRU Drone by Flirtey: next phase of drone deliveries in NZ scheduled in early 2018**

"When we announced the world's first use of drones to deliver pizza, and our partnership with drone delivery service Flirtey, we set out on a long-term partnership to overcome technical and regulatory barriers to make this vision a reality," Mr Meij said.

"Today, we are excited to announce we are expanding our partnership with Flirtey and moving forward with the next phase of this project.

"With our first customer deliveries in New Zealand in November, with regulatory approval from the CAA, we demonstrated the technology was safe, efficient and could deliver on our expectations – Our next phase will move us even closer to regular store operations."

Mr Meij said the next phase of Flirtey drone deliveries in New Zealand would feature a next-generation drone designed to carry more pizzas, drinks and sides for longer distances.

In addition, Flirtey has developed a take-off and landing station that expedites the loading and take-off process, ensuring faster delivery times and a fresher product. Flirtey has also developed new delivery packaging to exceed Domino's heat retention standards, stand up to adverse weather conditions and accommodate the newest Domino's New Zealand pizza range.

"The next phase of deliveries will operate from a select store, with daily deliveries in a variety of weather conditions, to our local Domino's customers.

"We're dedicated to making DRU Drone by Flirtey a part of our business and will be incorporating Flirtey drone delivery as a regular part of our delivery fleet. Delivery by drone will soon be commonplace."

### **Tanda – rostering solution**

Domino's has rolled-out Tanda, an Australian-designed rostering solution, to all stores in Australia and New Zealand, and will complete its roll-out in Germany by the end of October.

Domino's Australia/New Zealand CEO Nick Knight said the solution had already helped store managers and Franchisees build the most effective rosters to deliver exceptional customer service, including in peak times.



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“Tanda has given Domino’s Franchisees, especially multi-unit Franchisees, an easily accessible platform to manage and communicate rosters to staff, ensuring those rosters comply with up-to-date changes to pay rates, including penalty rates,” Mr Knight said.

“Having this solution has significantly reduced the time needed to create efficient rosters across the network, and in the next upgrade will implement live tracking of sales to optimise the workforce on-the-go.

“In 2018, the solution will automatically build rosters based on sales forecasts – a step change for our managers and Franchisees.”

### **Domino’s Anywhere**

“Our customers expect to be able to order Domino’s whenever, and wherever they are, and the use of GPS location-based ordering with Domino’s Anywhere will meet this expectation,” Mr Meij said.

“It’s our job to continue to be agile and adapt to our customers changing environments so that we make it as convenient and easy for them to place orders with us.”

Domino’s Anywhere allows customers to drop a location pin using GPS, for stores to deliver to parks, beaches and other locations without specific street addresses.

“Pizza is a social meal, for sharing with friends, family and colleagues; with Domino’s Anywhere, customers can order their piping hot pizza directly to the park, or beach, to a picnic blanket or beach towel.

“Domino’s Anywhere has been very successful in the Netherlands, and we expect a similarly high level of engagement when we launch it, here in Australia, to all customers.

“We have successfully completed tests in the Australian market over the past few months, and have used those tests to refine and improve Domino’s Anywhere for local customers.”

A national advertising campaign will launch later this month.

### **Partnership update – Schweppes Australia**

Domino’s announced in September a new partnership with Schweppes Australia, rolling out six new drink products to every store – following extensive customer testing.

Mr Knight said the Company knew the change would be passionately debated by customers, and the preliminary sales response has been very positive – with customers welcoming new flavours to the menu.

“Since starting our new partnership, customers are buying more drinks, in both 1.25L bottles, and 375ml cans, both in volume and as a percentage of orders.

“Customers told us they wanted more choice, and we delivered; in addition to increasing the volume of drinks sold, customers are choosing a wider variety of drinks with their meal. We are delighted by our new partnership, and look forward to its ongoing benefits for our customers and Franchisees.”



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### **Domino's pick-up hot lockers**

Domino's has been trialling new lockers in selected stores in the Netherlands, for pick-up customers who are on-the-go.

The lockers keep Domino's meals at a consistent temperature, and can be unlocked by customers using their Domino's app – each customer's pizzas are hot and fresh, and there's no need to queue or wait at a store.

Mr Knight said the Company was carefully monitoring customer feedback on the new lockers, which has been overwhelmingly positive, and would look to trial the lockers in an Australian store in the New Year.

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Domino's Pizza Enterprises Limited (**ASX:DMP**) is Domino's largest Franchisee outside of the USA. It holds the master franchise rights to the Domino's brand and network in Australia, New Zealand, Belgium, France, The Netherlands, Japan and Germany. Today, DMP has a network of over 2,000 stores. For more information, visit [www.dominosinvestors.com.au](http://www.dominosinvestors.com.au)

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